

## Message Text

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PAGE 01 PARIS 20538 01 OF 02 150941Z  
ACTION IO-14

INFO OCT-01 ISO-00 CIAE-00 CU-02 INR-07 NSAE-00 AID-05  
USIA-06 ABF-01 OMB-01 TRSE-00 OIC-02 PA-01 PRS-01  
AF-10 ARA-10 EA-07 EUR-12 NEA-10 /090 W  
-----065252 150955Z /13

R 150940Z JUL 77  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 5712  
INFO USMISSION GENEVA  
USMISSION USUN

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 20538

NESCO

E.O. 11652: N/A  
TAGS: AORG, PORG, UNESCO  
SUBJECT: UNESCO: GENEVA GROUP MEETING -- SEARCH  
FOR AN "ITF"

REFS: (A) PARIS 18705, (B) STATE 158032

1. SUMMARY: POLL OF GENEVA GROUP MEMBERS INDICATED NO  
CONSENSUS POSSIBLE ON A BUDGETARY CEILING FIGURE.  
FURTHERMORE, BOTH FORM OF A DEMARCHE TO SECRETARIAT,  
AND ITS TIMING ARE STILL OPEN FOR DISCUSSION, ALTHOUGH  
IT IS POSSIBLE THAT MEMBERS MAY BE ABLE TO AGREE ON  
TIMELY APPROACH THROUGH ADG FOR ADMINISTRATION WHICH  
WOULD REGISTER GG CONCERN. IT INCREASINGLY OBVIOUS,  
HOWEVER, THAT ATTEMPT TO FIND CONSENSUS "ITF" IS A VERY  
POLITICAL EXERCISE EVEN AMONG OUR OWN GROUP, AND  
PROBABLY SHOULD BE UNDERTAKEN IN CAPITALS AND IN  
COORDINATION WITH GENEVA GROUP (CL). END SUMMARY.

2. ONLY FRG, THE UK AND JAPAN COULD HAVE AGREED TO  
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PAGE 02 PARIS 20538 01 OF 02 150941Z

SUPPORT DEMARCHE TO DIRECTOR GENERAL (PER REFTTEL A,  
PARA 8) THAT "A \$270 MILLION BUDGET WOULD BE ONE THAT  
ALL MEMBERS OF THE GENEVA GROUP COULD SUPPORT". FRG  
HAD IN FACT HOPED TO STIMULATE SUPPORT FOR AN APPROXI-  
MATE CEILING OF FROM \$260 - \$270 MILLION, BUT  
EVEN THEN BELIEVED THAT DEMARCHE SHOULD NOT BE COMMITTED  
TO PAPER IN ORDER TO AVOID LOCKING GENEVA GROUP INTO

FIXED POSITION AND UNDERCUTTING POSSIBILITY FOR SUBSEQUENT NEGOTIATION. UNITED KINGDOM PERMDEL, WE WERE TOLD PRIVATELY, WENT THROUGH QUITE A HUSTLE TO GET CLEARANCES FOR \$270 MILLION CEILING FROM PERTINENT AUTHORITIES, INCLUDING EXBD PRESIDENT LEN MARTIN. UK CONCERN WAS NOT TO TREAT \$270 MILLION FIGURE AS A CEILING. AUSTRALIA MIGHT HAVE ASSOCIATED ITSELF WITH A \$269 MILLION FIGURE, WITH CAVEAT THAT THIS SHOULD NOT IMPLY UPPER LIMIT OR RULE OUT POSSIBILITY FOR SUPPORTING REAL PROGRAM GROWTH. JAPAN FOR ITS PART COULD HAVE ACCEPTED A \$270 MILLION FIGURE ON ASSUMPTION THAT IT IMPLIES ZERO REAL PROGRAM GROWTH, AND ENJOYED CONSENSUS OF GG MEMBERS. NOTING ABSENCE OF CONSENSUS, JAPAN LATER RESERVED ITS POSITION. CANADIAN REP SAID IT UNLIKELY HIS GOVERNMENT WOULD SUPPORT ANY FIGURE APPROACHING \$270 MILLION, ALTHOUGH IT BELIEVED THAT AUSTRALIAN BUDGET HYPOTHESIS UNFORTUNATELY WAS ON TARGET. ITALY WAS ABSENT FROM MEETING.

3. FRENCH GOVERNMENT IS STILL DELIBERATING ON WHAT IT MIGHT ACCEPT AS A BUDGET CEILING, BUT APPARENTLY IS WILLING TO SUPPORT PRINCIPLE OF RESTRICTING BUDGETARY INCREASE, PERHAPS TO \$270 MILLION FIGURE. FRENCH REP SAID HIS GOVERNMENT BELIEVED IT ABSOLUTELY NECESSARY IN ANY CASE TO COORDINATE BOTH METHODOLOGY AND AN "ITF" WITH GROUP IN GENEVA BEFORE MAKING DEMARCHE TO UNESCO LIMITED OFFICIAL USE

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PAGE 03 PARIS 20538 01 OF 02 150941Z

SECRETARIAT. AUSTRALIAN GOVERNMENT ALSO REPORTEDLY SURPRISED THAT UNESCO GENEVA GROUP SHOULD GET OUT IN FRONT OF GENEVA GROUP (CL) IN ADOPTING METHODOLOGY AND GROUND RULES, AND SUPPORTED FRENCH REQUEST FOR WITHHOLDING FURTHER ACTION IN PARIS PENDING GENEVA MEETINGS.

4. BOTH BELGIUM AND NETHERLANDS SAID THAT THE BUDGET SHOULD BE EXAMINED FIRST WITH RESPECT TO MERITS OF PROGRAM, AND ONLY THEN SHOULD ATTEMPT BE MADE TO FIX AN ACCEPTABLE BUDGET CEILING. SWITZERLAND AND SWEDEN WERE ABSENT FROM MEETING, BUT UNDOUBTEDLY WILL ASSOCIATE THEMSELVES WITH THIS POSITION.

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PAGE 01 PARIS 20538 02 OF 02 150949Z  
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INFO OCT-01 ISO-00 AF-10 ARA-10 EA-07 EUR-12 NEA-10  
CIAE-00 CU-02 INR-07 NSAE-00 AID-05 USIA-06 ABF-01  
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LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 20538

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5. ALL MEMBERS PRESENT WERE SURPRISED BY AND SKEPTICAL OF U.S. ALTERNATIVE HYPOTHESIS OF A \$250 MILLION BUDGET. AUSTRALIAN REP POINTED OUT THAT SECRETARIAT BUDGET PROJECTION (REFTEL A) WAS NOT WHAT SHE OR OTHER MEMBERS NECESSARILY WISHED TO SEE, BUT RATHER WHAT VERY LIKELY WILL BE THE OUTCOME, BASED ON EXTENSIVE INTERVIEWS WITH KNOWLEDGEABLE SECRETARIAT OFFICIALS, WHO HAVE SUBSEQUENTLY AND PRIVATELY CONFIRMED UNDERLYING ASSUMPTIONS OF BIENNIAL INFLATION RATE OF (AT LEAST) SEVENTEEN PERCENT, AND AGGREGATE REAL PROGRAM GROWTH RATE OF SIX TO EIGHT PERCENT. USDEL RESPONDED, IT QUITE UNLIKELY THAT US COULD SUPPORT ANYTHING APPROACHING \$270 MILLION FIGURE. UNITED STATES URGED GENEVA GROUP MEMBERS TO CONSULT FURTHER WITH THEIR GOVERNMENTS TO LAY BASIS FOR COORDINATED APPROACH ON BUDGET LEVEL.

6. FRG REP RESPONDED THAT HIS GOVERNMENT HAD PROPOSED "MIDDLE-GROUND" FIGURE OF \$270 MILLION IN HOPES OF  
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PAGE 02 PARIS 20538 02 OF 02 150949Z

ACHIEVING AS WIDE-BASED SUPPORT AS POSSIBLE FOR A COMMON GENEVA GROUP POSITION. HE ALSO POINTED OUT THAT IF EXERCISE IS TO HAVE ANY IMPACT AT ALL, THE GENEVA GROUP "ITF" WILL HAVE TO BE AT LEAST A "REASONABLE" FIGURE. NOTING ABSENCE OF ANY CONSENSUS ON THIS FIGURE, HE SUGGESTED THAT GG MIGHT NONETHE- LESS STILL REGISTER ITS CONCERN ABOUT UNESCO'S BUDGET

PRIOR TO ITS PUBLICATION BY ADDRESSING LETTER TO SECRETARIAT WHICH AVOIDS MENTION OF ANY CEILING. THIS LETTER MIGHT SAY THAT IN HOPES OF AVOIDING CONFRONTATION OVER BUDGET WHICH SOME OF MAJOR CONTRIBUTORS WOULD FIND IT NECESSARY TO OPPOSE FROM OUTSET, GENEVA GROUP WOULD LIKE FROM SECRETARIAT A BUDGET PREVIEW INCLUDING UNDERLYING ASSUMPTIONS. THIS WOULD AFFORD GG POSSIBILITY FOR ADEQUATE STUDY OF BUDGET PRIOR TO 103RD EXBD.

7. GENEVA GROUP MEMBERS APPROVED THIS APPROACH, AND ASKED FRG AND US REPS TO DRAFT SUCH A LETTER WHICH WE HOPE CAN BE CLEARED WITH MEMBER STATES WITHOUT TRYING ASSEMBLE MEMBERS AGAIN BEFORE SEPTEMBER. TEXT WILL BE CABLED TO DEPT. AS SOON AS IT IS PREPARED, WITH HOPES THAT LETTER CAN BE DELIVERED TO ASSISTANT DIRECTOR-GENERAL RIGAUD EARLY AUGUST. ONLY OTHER ALTERNATIVE SUGGESTED (BELGIUM'S AMBASSADOR VAN USSEL) WOULD BE TO HOLD OFF ACTION UNTIL SEPTEMBER 15 GENEVA GROUP (CL) MEETING, WHERE AN ITF COULD BE HAMMERED OUT, TAKING INTO ACCOUNT WORK ALREADY DONE BY UNESCO'S GENEVA GROUP. THIS APPROACH WOULD OF COURSE FORFEIT POSSIBILITY TO REGISTER GG CONCERN OVER BUDGET WITH DIRECTOR-GENERAL M'BOW BEFORE OFFICIAL SECRETARIAT FIGURES ARE PUBLISHED SOMETIME DURING AUGUST.

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PAGE 03 PARIS 20538 02 OF 02 150949Z

8. NEXT GG MEETING HAS BEEN TENTATIVELY SET FOR SEPTEMBER 1.  
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## Message Attributes

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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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